

## Message Text

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EO 11652: N/A

TAGS: EINV, BG

SUBJ: STATUS OF NATIONALIZATION CASES AND COMPENSATION IN BANGLADESH

REF: (A) STATE 139727, (B) DACCA 3346, (C) DACCA 2988, (D) STATE 8981

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(E) DACCA 3083, (F) STATE 182553

SUMMARY: THE FOLLOWING IS A SUMMARY OF THE NATIONALIZATION AND COMPENSATION ISSUES IN BANGLADESH AS SEEN BY THE EMBASSY AND IN RESPONSE OF REFTEL (A)..END SUMMARY.

1. ACCORDING TO THE RECORDS AT THE EMBASSY THE FOLLOWING COMPANY WOULD APPEAR TO HAVE BEEN NATIONALIZED IN 1972 UNDER PRESIDENTIAL ORDER 27 AND HENCE BE ELIGIBLE TO FILE FOR COMPENSATION, UNLESS LIKE BELBAGCO (REFTEL B) THE BDG FINDS THAT ITS REGISTERED OFFICE WAS IN WEST PAKISTAN:

ASSOCIATED BAGGING CORPORATION. ITS ADAMJEE JUTE MILL COMPLEX WAS LOCATED IN NARAYANGANJ, DACCA DISTRICT. THE FIRM WAS OWNED 50 PERCENT BY THE ADAMJEEES (TAKEN OVER AS ABANDONED PROPERTIES UNDER PRESIDENTIAL ORDER 16) AND 50 PERCENT BY AUDLEY, A SWISS FIRM OWNED 100 PERCENT BY WILCOX OF NEW YORK (EXACT ADDRESS NOT KNOWN TO US)

AND BY LANGSTON COMPANIES, INC., P.O. BOX 12230, MEMPHIS, TINN. 38112.

2. THE FOLLOWING COMPANIES WERE NATIONALIZED UNDER PRESIDENTIAL LIMITED OFFICIAL USE

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ORDER 95 FOR WHICH NO COMPENSATION SCHEME HAS YET BEEN ANNOUNCED.

THE PAYMENT AND COMPENSATION SECTION OF THE MINISTRY OF INDUSTRIES TELLS US THAT THESE FIRMS ARE SPECIFICALLY EXCLUDED FROM COMPENSATION UNDER CURRENT P.O. 27 COMPENSATION SCHEMES (REFTEL F):

(A) HANOVER INSURANCE CO. AND NEW HAMPSHIRE GENERAL INSURANCE CO., BOTH OWNED 100 PERCENT BY AMERICAN INTERNATIONAL UNDERWRITERS (AIU) OF 102 MADISON LANE, NEW YORK, N.Y. 10005.

(B) HOME INSURANCE CO. AND AMERICAN GENERAL INSURANCE CO., BOTH OWNED 100 PERCENT BY AMERICAN FOREIGN INSURANCE ASSOCIATION (AFIA), 100 WILLIAM STREET, NEW YORK, N.Y. 10038. EMBASSY HAS ON FILE A LETTER DATED JAN. 8, 1976, FROM AFIA STATING THAT ITS LIABILITIES HERE MAY HAVE EXCEEDED ITS ASSETS AND THAT IT DOES NOT WISH TO PURSUE ITS CLAIM.

3. THE FOLLOWING FIRMS WERE APPARENTLY TAKEN OVER UNDER PRESIDENTIAL ORDER 16 (ABANDONED PROPERTY) FOR WHICH THERE IS NO PRESENT COMPENSATION PLAN. (WE HAVE WRITTEN THE MINISTRY OF INDUSTRIES ASKING WHETHER THESE FIRMS WERE TAKEN OVER UNDER P.O. 16, OR HAVE SOME OTHER STATUS.)

(A) GALFRA-HABIB OF CHITTAGONG. THIS FIRM WAS 34 PERCENT OWNED BY GILMER FRASER OF SCOTLAND. GILMER FRASER WAS IN TURN OWNED 91.65 PERCENT BY GIDDINGS AND LEWIS OF 142 DOTY STREET, FOND DU LAK, WISCONSIN 54935.

(B) GENERAL TYRE AND RUBBER OF CHITTAGONG. THIS WAS OWNED 53.33 PERCENT BY GENERAL TIRE AND RUBBER, THREE GENERAL STREET, AKRON, OHIO 44329, AND 46.67 PERCENT BY WEST PAKISTANI INTERESTS.

(C) Dacca TOBACCO INDUSTRIES OF Dacca, WAS 100 PERCENT OWNED BY THENWEST PAKISTANI FROM PREMIER TOBACCO OF KARACHI. PREMIER WAS 30 PERCENT OWNED BY PHILLIP MORRIS INC. OF 100 PARK AVENUE, NEW YORK, N.Y. 10016.

(D) CARTER-WALLANCE -- A BRANCH OF A KARACHI-BASED WEST PAKISTANI FIRM OWNED 60 PERCENT BY WARNER-LAMBERT PHARMACEUTICALS CO., 201 TABOR ROAD, MORRIS PLAINS, N.J. 07950.

4. THE FOLLOWING FIRM WAS RECENTLY DETERMINED BY THE BANGLADESH GOVERNMENT TO BE INELIGIBLE FOR COMPENSATION (REFTEL B):

BANGLADESH FABRICS CO. LTD. (FORMERLY PAKISTAN FABRICS CO., LTD.) OF NARAJANGANJ, Dacca. IT WAS OWNED 100 PERCENT BY BELTON BAGGING COMPANY (BELBAGCO) OF P.O. BOX 127, BELTON, S.C. 29627.

5. THE NATIONALITY OF OWNER(S) OF FARROKH CHEMICAL INDUSTRIES LIMITED OFFICIAL USE

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LTD. CAN NOT ACCURATELY BE DETERMINED DUE TO (1) THE CONFUSING TRANSACTIONS THAT TOOK PLACE AT THE TIME OF LIBERATION BETWEEN THE OWNERS OF THE FIRM AND (2) THE RELUCTANCE OF FARROKH CAPTAIN TO DISCLOSE WHAT HIS NATIONALITY WAS AT THE TIME THE FIRM WAS DECLARED ABANDONED. THE PROPERTY WAS TAKEN OVER AS ABANDONED UNDER P. O. 16 (REFTEL C). INDUSTRIES SECRETARY MAJIB-UL-HAQ IN AN EARLIER CONFERENCE WITH ECON COUNSELOR (REFTEL E) HAS PROMISED TO NOT INCLUDE FARROKH CHEMICALS AMONG THOSE FIRMS TO BE

AUCTIONED OFF BY THE BDG, PENDING ACTION BY MR. CAPTAIN TO PRE-  
SENT A CLAIM.

6. THE EMBASSY BELIEVES THAT THE AMERICAN FIRMS LISTED ABOVE ARE  
NOT ELIGIBLE FOR COMPENSATION UNDER P.O. 27 COMPESNATION PLANS,  
EXCEPT FOR ASSOCIATED BAGGING AND POSSIBLY GALFRA-HABIB. IN ORDER  
TO BE CERTAIN THAT NO FIRM MISSES ITS OPPORTUNITY FOR COMPENSATION  
THE EMBASSY SUGGESTS THAT ALL RPT ALL AMERICAN FIRMS LISTED ABOVE  
BE CONTACTED AGAIN TO BE SURE THAT THEY ARE AWARE OF THE LIMITED  
PRESENT COMPENSATION PLANS. IT IS THE EMBASSY'S BELIEF  
THAT MANY OF ABOVE FIRMS MAY NO LONGER WISH THEIR CASES TO BE  
PURSUED.  
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